

MINUTES
MEDICAL UNIVERSITY HOSPITAL AUTHORITY
BOARD OF TRUSTEES MEETING
October 13, 2017

The Board of Trustees of the Medical University Hospital Authority convened Friday, October 13, 2017, with the following members present: *Dr. Donald R. Johnson II, Chairman; Mr. William H. Bingham, Sr., Vice-Chairman; Mr. Bill Baker; Ms. Terri R. Barnes; Mr. Jim Battle; Dr. Guy Castles; Dr. Richard Christian; Dr. Robert Gordon; Dr. James Lemon; Ms. Barbara Johnson-Williams; Mr. Charles Schulze; Dr. Murrell Smith; Mr. Michael Stavrinakis; Mr. Tom Stephenson; Dr. Charles Thomas*

The following MUSC administrative officials were present: *Dr. David Cole, President; Dr. Lisa Saladin, Executive Vice President for Academic Affairs and Provost; Ms. Lisa Montgomery, Executive Vice President for Finance and Operations; Dr. Patrick Cawley, CEO, MUSC Health and Vice President for Health Affairs, MUSC; Mr. Jim Fisher, Vice President for Development and Alumni Affairs; Dr. Raymond Dubois, Dean, College of Medicine; Ms. Annette Drachman, General Counsel.*

Item 1. **Call to Order-Roll Call.**

There being a quorum present, Chairman Don Johnson called the meeting to order. Ms. Jane Scutt called the roll and made the following announcement, *“In compliance with the Freedom of Information Act, notice of meetings and agendas were furnished to all news media and persons requesting notification.”*

Item 2. **Secretary to Report Date of Next Meeting.**

The date of the next regularly scheduled meeting is Friday, December 8, 2017.

Item 3. **Approval of Minutes of the Regular Meeting of the Medical University Hospital Authority of Minutes of the Regular Meeting of the Medical University Hospital Authority Board of Trustees of August 11, 2017, and the MUSC/MUHA Board of Trustees Management Development and Compensation Subcommittee meeting of October 5, 2017.**

Board Action: A motion was made by Mr. Schulze for approval of the minutes. The motion was seconded, voted on and unanimously carried.

RECOMMENDATIONS AND INFORMATIONAL REPORTS OF THE PRESIDENT

OLD BUSINESS: None.

NEW BUSINESS:

Item 4. **General Informational Report of the President.**

No report.

Item 5. **Other Business.**

None.

OPERATIONS, QUALITY AND FINANCE COMMITTEE. CHAIRMAN: DR. G. MURRELL SMITH, SR.
(Detailed committee minutes are attached.)

OLD BUSINESS: None.

NEW BUSINESS:

Item 6. **MUHA Medical Center Status Report.**

Statement: Dr. Smith reported that Dr. Pat Cawley, CEO, MUSC Health, presented the MUHA status report to committee.

Recommendation of Administration: That the report be received as information.

Recommendation of Committee: That the report be received as information.

Board Action: Received as information.

Item 7. **Certificate of Need (CON) to Add a Hybrid Operating Room in Ashley River Tower (ART).**

Statement: Dr. Murrell Smith requested approval to seek a Certificate of Need (CON) to convert OR 9 in Ashley River Tower to a hybrid operating room.

Recommendation of Administration: That the request to seek a CON to convert OR 9 in Ashley River Tower to a hybrid operating room be approved.

Recommendation of Committee: That the request to seek a CON to convert OR 9 in Ashley River Tower to a hybrid operating room be approved.

Board Action: A motion was made by Dr. Smith for approval to seek a CON to convert OR 9 in Ashley River Tower to a hybrid operating room be approved. The motion was seconded, voted on and unanimously carried.

Item 8. **Medical University Hospital Authority (MUHA) Financial and Statistical Report**

Statement: Dr. Smith stated that Ms. Lisa Goodlett, MUHA Chief Financial Officer, provided a report to committee on the MUHA's financial status through August 31, 2017.

Recommendation of Administration: That the report be received as information.

Recommendation of Committee: That the report be received as information.

Board Action: Received as information.

Item 9. **Report on Quality and Patient Safety.**

Statement: Dr. Smith stated that Dr. Scheurer presented the quality and patient safety report to committee.

Recommendation of Administration: That the report be received as information.

Recommendation of Committee: That the report be received as information.

Board Action: Received as information.

Item 10. **Update on MUSC Physicians.**

No report.

Item 11. **Legislative Update.**

Statement: Dr. Smith reported that Mark Sweatman, Director of Government Relations, gave an update on legislative activities to the committee.

Recommendation of Administration: That this report be received as information.

Recommendation of Committee: That this report be received as information.

Board Action: Received as information.

Item 12. **Other Committee Business.**

None.

Item 13. **Medical University Hospital Authority Appointments, Reappointments and Delineation of Privileges (Consent Item).**

Statement: An updated list of appointments, reappointments and delineation of privileges for the months of July, August and September, 2017 were presented for approval.

Recommendation of Administration: That the appointments, reappointments and delineation of privileges to the medical staff be approved.

Recommendation of Committee: That the appointments, reappointments and delineation of privileges to the medical staff be approved.

Board Action: Dr. Smith moved that the appointments, reappointments and delineation of privileges to the medical staff be approved. The motion was seconded, voted on and unanimously carried.

Item 14. **Medical Executive Committee Minutes (Consent Item).**

Statement: Medical Executive Committee minutes for July and August 2017 were presented for information.

Recommendation of Administration: That this be received as information.

Recommendation of Committee: That this be received as information.

Board Action: Received as information.

Item 15. Medical Center Contracts and Agreements (Consent Item).

Statement: Contracts and agreements signed, since the last board meeting, were presented for information.

Recommendation of Administration: That this be received as information.

Recommendation of Committee: That this be received as information.

Board Action: Received as information.

**PHYSICAL FACILITIES COMMITTEE. CHAIRMAN: MR. WILLIAM H. BINGHAM, SR.
(Detailed Committee minutes are attached.)**

OLD BUSINESS: None

NEW BUSINESS:

Item 16. Children’s Health Status Report.

Statement: Mr. Bingham reported that Mr. Matt Wain presented his stoplight report for both the MUSC Shawn Jenkins Children’s Hospital and Women’s Pavilion and the new Children’s Ambulatory Center.

Recommendation of Administration: That the report be received as information.

Recommendation of Committee: That the report be received as information.

Board Action: Report received as information.

Item 17. MUHA Facilities Procurements/Contracts for Approval.

Statement: Mr. Bingham requested approval of the following:

Lease revision for an approximately 99,800 square foot medical office building (MOB) located at the corner of Rivers Avenue and Mall Drive which was initially approved in April 2017 and updated in August 2017. Approval is requested for increasing the lease term from 15 years to 22 which supersedes any prior lease approvals. Cost per square foot of \$31.52 resulting in an estimated annual amount of \$3,145,696.00. The total estimated rent for the initial term shall be \$69,205,312.

Recommendation of Administration: That this procurement/contract be approved.

Recommendation of Committee: That the procurements/contract be approved.

Board Action: Mr. Bingham made a motion for the approval of the lease revision for the North Charleston MOB. The motion was seconded, voted on and unanimously carried to approve the lease revision for the North Charleston MOB.

Statement: Mr. Bingham requested approval of the following:

Lease for 126,144 square feet of clinical space located on Sam Rittenberg Boulevard in West Ashley. The purpose of this lease is to provide space for Musculoskeletal Service Line; Ambulatory Surgery Center, Imaging Center, Patient Services and Support. The per square foot rent rate for this lease is \$16.00. The monthly rent shall be \$168,192 resulting in an annual rent of \$2,018,304.

Recommendation of Administration: That the procurements/contract be approved.

Recommendation of Committee: That the procurements/contract be approved.

Board Action: Mr. Bingham made a motion for approval of the new lease located on Sam Rittenberg Boulevard, West Ashley, subject to additional due diligence regarding LLC ownership. The motion was seconded, voted on and unanimously carried.

Item 18. Other Committee Business.

None.

**CHILDREN'S HOSPITAL COMMITTEE. CHAIRMAN: MR. MICHAEL STAVRINAKIS
(Detailed Committee minutes are attached.)**

OLD BUSINESS: None.

NEW BUSINESS:

Item 19. Women's Services Overview.

Statement: Mr. Stavrinakis reported that Dr. Lara Wine Lee, Director of Pediatric Dermatology, gave a presentation on Pediatric Dermatology to committee.

Recommendation of Administration: That the report be received as information.

Recommendation of Committee: That the report be received as information.

Board Action: Received as information.

Item 20. Shawn Jenkins Development Activity Report.

Statement: Mr. Stavrinakis stated that Mr. Jim Fisher gave a report on the Children's Hospital Building Campaign and also gave an update on naming opportunities to committee.

Recommendation of Administration: That the report be received as information.

Recommendation of Committee: That the report be received as information.

Board Action: Received as information.

Item 21. **Other Committee Business.**

None

AUDIT COMMITTEE. CHAIRMAN: THOMAS L. STEPHENSON, ESQ. (Detailed Committee minutes are attached)

OLD BUSINESS: None

NEW BUSINESS:

Item 22. **Legal Update.**

Statement: Mr. Stephenson reported that Annette Drachman presented a legal update to the committee.

Recommendation of Administration: That this report be received as information.

Recommendation of Committee: That this report be received as information.

Board Action: Received as information.

Item 23. **Enterprise Risk Management Update.**

Statement: Mr. Stephenson reported that Ms. Reece Smith presented an Enterprise Risk Management update to committee.

Recommendation of Administration: That this report be received as information.

Recommendation of Committee: That this report be received as information.

Board Action: Received as information.

Item 24. **Report of the Office of Internal Audit.**

Statement: Mr. Stephenson reported that the results of the audits were mailed to board members.

Recommendation of Administration: That this report be received as information.

Recommendation of Committee: That this report be received as information.

Board Action: Received as information.

Item 25. **Other Committee Business.**

None.

Item 26. **Management Development and Compensation Subcommittee Update (Consent Item).**

Deferred.

OTHER BUSINESS FOR THE BOARD OF TRUSTEES

Item 27. Approval of Consent Agenda.

Statement: Approval of the consent agenda was requested.

Recommendation of Administration: That the consent agenda be approved.

Board Action: Mr. Schulze made a motion for the approval of the consent agenda in its entirety. The motion was seconded and unanimously carried.

Item 28. New Business for the Board of Trustees.

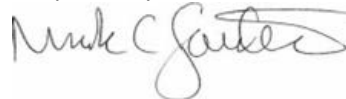
None.

Item 29. Report from the Chairman.

None.

There being no further business, the meeting of the Medical University Hospital Authority Board of Trustees was adjourned.

Respectfully submitted,



Mark C. Sweatman, Secretary

MCS;jls
Attachments

**Medical University Hospital Authority
Hospital Operations, Finance and Quality Committee
October 12, 2017**

Attendees:

Dr. Murrell Smith, Chair	Dr. James Lemon	Mr. Jim Fisher
Mr. Bill Baker	Mr. Charles Schulze	Dr. Lisa Saladin
Ms. Terri Barnes	Mr. Michael Stavrakis	Mr. Mark Sweatman
Mr. Jim Battle	Mr. Tom Stephenson	Dr. Danielle Scheurer
Mr. William Bingham, Sr.	Dr. Charles Thomas	Mr. Matt Wain
Dr. Guy Castles	Dr. David Cole	Dr. Mark Scheurer
Dr. Richard Christian	Ms. Lisa Montgomery	Ms. Lisa Goodlett
Dr. Robert Gordon	Dr. Ray Dubois	Mr. David McLean
Dr. Donald Johnson II	Dr. Patrick Cawley	Mr. Greg Weigle
Ms. Barbara Johnson-Williams		

Statement: Prior to the start of the committee meeting, a motion was made by Mr. Jim Battle to move into closed session to discuss the following items pursuant to section 30-4-70 of the South Carolina Code: employment matters including compensation and appointment; negotiations incident to proposed contractual arrangements for lodging/room rates for members of the Board of Trustees; negotiations incident to proposed contractual arrangements for surgical processing services and logistics services; negotiations incident to proposed contractual arrangements and proposed lease of real property in West Ashley for clinical services; and, matters relating to the proposed expansion of clinical and educational services and contractual negotiations related thereto.

Board Action: The above motion was made by Mr. Battle, seconded and unanimously voted to move into closed session following the conclusion of committee meetings.

The committee meeting was then called to order by Dr. Murrell Smith, Chair.

Item 6. Medical University Hospital Authority Status Report

Dr. Patrick J. Cawley, CEO, MUSC Health, gave a report focused on two areas. The first was an update on the 2018 goals' performance year-to-date. Dr. Cawley commented that it is early in the year and the current performance is mixed, but no areas of concern have been identified. The second was an update on the current hybrid operating room (OR) at Ashley River Tower and the increasing need for an additional hybrid OR. Dr. Cawley informed the board that he will be requesting approval to submit a certificate of need application to SC DHEC for a second hybrid OR. This hybrid OR will be financially supported by philanthropy and the FY2019 budget which will be brought forward to the board for approval in the summer of 2018.

Action: Report received as information.

Item 7. Certificate of Need (CON) to Add a Hybrid Operating Room in Ashley River Tower (ART)

Dr. Patrick Cawley, CEO, MUSC Health, requested approval to seek a Certificate of Need (CON) to convert OR 9 in Ashley River Tower to a hybrid operating room.

Action: Recommend approval.

Item 8. Medical University Hospital Authority Financial and Statistical Report

Ms. Lisa Goodlett, MUHA CFO, gave an update on MUHA's financial status through August 31, 2017. Ms. Goodlett reported that Days Cash on Hand are at 57 days which is down from this same time last year. Operating margin is at 2.63% and the overall margin is at 3.38% Days in A/R remain steady at 58 and the Debt Service Coverage is at 4.00.

Action: Report received as information.

Item 9. Report on Quality and Patient Safety

Dr. Danielle Scheurer, Chief Quality Officer, presented on a WIN, reporting that MUSC Health has achieved a Bronze award achievement from the State on Baldrige performance. She then updated the current quality pillar performance. She then updated on the Vizient inpatient rankings (#40) and ambulatory rankings (#12). She ended by summarizing efforts in the Comprehensive Stroke Program.

Action: Report received as information.

Item 10. Update on MUSC Physicians

No report.

Item 11. Legislative Update

Mr. Mark Sweatman gave an update on the legislative activities at both the state and federal levels. Mr. Sweatman stated that he will be presenting MUSC's legislative priorities for the next year to the Board in December.

Action: Received as information

Item 12. Other Committee Business.

None.

CONSENT AGENDA

Item 13. MUHA Appointments, Reappointments and Delineation of Privileges

The committee reviewed the appointments, reappointments and delineation of privileges requests for the months of July, August and September 2017. These have been recommended for approval by all appropriate committees.

Action: Recommend approval.

Item 14. Medical Executive Committee Minutes.

Committee minutes from July and August 2017 were reviewed by the committee.

Action: Received as information.

Item 15. Medical Center Contracts and Agreements

Contracts and agreements entered into since the last board meeting were presented.

Action: Received as information.

There being no further business, the committee adjourned.

Respectfully Submitted

Jane L Scutt

**MUHA Physical Facilities Committee
October 12, 2017
Minutes**

Board Members Attending:

Mr. William H. Bingham, Sr., Chair
Mr. Bill Baker
Ms. Terri R. Barnes
Mr. Jim Battle
Dr. Guy Castles
Dr. Richard Christian
Dr. Richard Gordon
Dr. Donald R. Johnson II

Ms. Barbara Johnson-Williams
Dr. James Lemon
Mr. Charles Schulze
Dr. Murrell Smith
Mr. Michael E. Stavrinakis
Mr. Tom Stephenson
Dr. Charles Thomas

The meeting was called to order by Mr. Bingham, Committee Chair.

REGULAR ITEMS

Item 16. Children’s Health Status Report.

Mr. Matt Wain, Chief Operating Officer, MUHA, gave his spotlight report on the progress of the MUSC Shawn Jenkins Children’s Hospital and Women’s Pavilion and also the new Children’s Ambulatory Center to be located in North Charleston.

Action: Report received as information.

Item 17. MUHA Facilities Procurements/Contracts for Approval.

Mr. Greg Weigle, Chief Facilities Officer, presented the lease revision for the North Charleston Medical Office Building located at the corner of Rivers Avenue and Mall Drive and the new lease for clinical space located on Sam Rittenberg Boulevard in West Ashley for approval.

After a brief discussion, Mr. Bingham requested that any action on these requested leases be deferred until after executive session in order to discuss the proposed contractual arrangements regarding the two requested leases.

Action: A motion was made to approve Mr. Bingham’s request to defer action on the requested leases until discussion after executive session. The motion was second and unanimously carried.

At 3:30 p.m., the Board returned to open session and the following leases were presented for approval.

- Lease revision for an approximately 99,800 square foot medical office building located at the corner of Rivers Avenue and Mall Drive which was initially approved in April 2017 and updated in August 2017. Approval is requested for increasing the lease term from 15 years to 22 which supersedes any prior lease approvals. Cost per square foot of \$31.52 resulting in an estimated annual amount of \$3,145,696.00. The total estimated rent for the initial term shall be \$69,205,312.0.

Action: Recommend approval.

- Lease and associated projected costs for 126,144 square feet of clinical space located on Sam Rittenberg Blvd in West Ashley. The purpose of this lease is to provide space for Musculoskeletal Service Line; Ambulatory Surgery Center, Imaging Center, Patient Services and Support. The per square foot rent rate for this lease is \$16.00. The monthly rent shall be \$168,192 resulting in an annual rent of \$2,018,304. Total building cost projected is \$32.9 million of which the developer will contribute \$16.5 million and MUSC Health will contribute \$16.4 million.

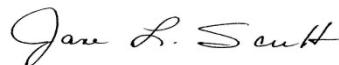
Action: Recommend approval subject to further due diligence regarding the ownership of the LLC.

Item 18. Other Committee Business.

None.

With no further business, the meeting was adjourned.

Respectfully submitted,



Jane L. Scutt

Medical University Hospital Authority
Shawn Jenkins Children's Hospital Committee Minutes
October 12, 2017

Board Members Attending:

Mr. Michael Stavrinakis, Chair	Dr. Guy Castles	Dr. James Lemon
Mr. Bill Baker	Dr. Richard Christian	Mr. Charles Schulze
Ms. Terri Barnes	Dr. Robert Gordon	Dr. Murrell Smith
Mr. Jim Battle	Dr. Donald Johnson	Mr. Tom Stephenson
Mr. William Bingham, Sr.	Ms. Barbara Johnson-Williams	Dr. Charlie Thomas

The meeting was called to order by Mr. Stavrinakis, Chair.

Item 19. Women's Services Overview

Dr. Mark Scheurer introduced Dr. Lara Wine Lee, Director of Pediatric Dermatology. Pediatric dermatology focuses on skin diseases in newborn, children and adolescents. Dr. Wine Lee shared the training requirements for the pediatric dermatologists. She also shared with the board that there is a workforce shortage in pediatric dermatology across the nation and stated that MUSC has the only fellowship trained pediatric dermatologist in the state. She reported that MUSC pediatric dermatology has seen a tremendous growth in both inpatient and outpatient since FY2015. Dr. Wine Lee gave an overview of the research; collaboration and education activities within Pediatric Dermatology. Future plans for pediatric dermatology is to improve access; increase funded and collaborative research; and, encourage philanthropy to enhance resources.

Action: Report received as information.

Item 20. Shawn Jenkins Children's Hospital Development Activity Report

Mr. Jim Fisher announced that Ms. Anita Zucker and her family have made a \$5 million contribution to support the child life atrium, a 3,200-square-foot indoor play area for children and their families. The space will be officially named the Jerry and Anita Zucker Family Atrium. Mr. Fisher shared with the Board that the Zucker family's decision to support the atrium was rooted in their shared belief in the therapeutic importance of "down time" to hospitalized children. Mr. Fisher reported that with the recent Zucker contribution included, \$115,928,438 has been raised for the Children's Hospital Building Campaign which is 93% of the goal of \$125 million. .

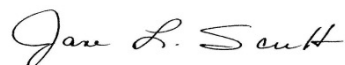
Action: Report received as information.

Item 21. Other Committee Business

None.

With no further business, the meeting was adjourned.

Respectfully submitted,



**MUHA Audit Committee
October 12, 2017
Minutes**

Board Members Attending:

Mr. Tom Stephenson, Chair	Dr. Guy Castles	Dr. Murrell Smith
Mr. Bill Baker	Dr. Richard Christian	Dr. James Lemon Mr.
Ms. Terri Barnes	Dr. Robert Gordon	Charles Schulze
Mr. Jim Battle	Dr. Don Johnson	Mr. Michael Stavrinakis
Mr. Bill Bingham	Ms. Barbara Johnson-Williams	Dr. Charles Thomas

Mr. Tom Stephenson, Chair, called the meeting to order

Item 22. Legal Update

Ms. Drachman presented information summarizing litigation trends over the last ten years. As evidenced by the information presented, the number and value of malpractice claims have decreased over time as have the number of non-malpractice claims. Worker's compensation claims, however, have remained relatively consistent over the last ten years. Further, MUSC and MUHA's worker's compensation experience has driven down the premium experience modifier over time.

Recommendation of Committee: That this be received as information.

Item 23. Enterprise Risk Management Update

Ms. Reece Smith, Director of Strategic Risk Management, provided an update on MUSC's Enterprise Risk Management (ERM) program. She outlined common global and industry-wide risks, provided an explanation of the ERM process, and discussed resources to identify and mitigate risks. She also relayed the goals of the program, and provided committee members with information on deliverables, including semiannual risk portfolios. She will present the first portfolio at the April 2018 Audit Committee meeting.

Recommendation of Committee: That this be received as information.

Item 24. Report of the Office of Internal Audit

Mr. Stephenson stated that the results of the audits were mailed to the board members and if there were questions, Ms. Susan Barnhart would be happy to address them.

Recommendation of Committee: That this be received as information.

Item 25. **Other Committee Business**

None.

Item 26. **Management Development and Compensation Subcommittee Report
(Consent Item).**

Item deferred.

With no further business, the meeting was adjourned.

Respectfully submitted,

Jane L. Scott